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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 05/29/07

Part-2

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11) Failing pension system taking heavy toll on Abe cabinet

SANKEI (Page 5) (Excerpts)

May 29, 2007

The Social Insurance Agency's (SIA) record-keeping errors have begun taking a toll on the Abe administration. In an attempt to quell public criticism, the government has come up with relief measures, such as the elimination of the statute of limitation enabling pensioners to receive benefits appropriately. But those steps have apparently failed to soften public outrage. Support ratings for the Abe cabinet have plummeted in recent public opinion polls. Prime Minister Shinzo Abe is busy devising new steps, such as taking relief measures ahead of schedule. However, such an approach might end up enhancing the impression that his administration's steps are all makeshift measures.

"I have come to the conclusion that we need to respond to the matter speedily," Abe said last night, explaining why he has ordered the ruling coalition to introduce a bill to the ongoing Diet designed to abolish the statute of limitation regarding pension premiums. He

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also indicated that he has ordered an effort to clarify the responsibilities of past SIA chiefs, saying, "Those who have left the failing system uncorrected must feel responsible."

Unexpectedly strong public outrage toward the SIA's record-keeping errors has forced Abe to take a new response. The government and the ruling coalition initially intended to come up with such steps as ending the statute of limitation and reexamining some 50 million cases not integrated into the basic pension numbering system in a bid to put an end to the SIA's blunder. They also planned to counterattack the major opposition Minshuto (Democratic Party of Japan), blaming the lax management of the system on the SIA labor union that supports Minshuto.

But the government and the ruling coalition's relief measures lacked uniqueness, as they were a rehash of what the SIA has already done, except for ending the statute of limitation. In addition, those steps were insufficient to underline the government's eagerness to address the issue based on pensioners' claims.

The government's failure to present a clear timeline for reexamining erroneous records has sparked concern that a shift to the envisioned Japan Pension Corporation would allow the SIA's blunder fade into oblivion. The government's original relief measures fueled public criticism rather than quell it.

12) May 27 broadcast of "Hodo 2001" on missed pension benefit payouts: Kan - "It is embezzlement"; Katayama - "Integration of pension numbers, creation of system took place when Kan was MHLW minister"

SANKEI (Page 5) (Full)

May 28, 2007

Toranosuke Katayama, secretary general of Liberal Democratic Party (LDP) members in the House of Councilors, and Acting Democratic Party of Japan (DPJ or Minshuto) head Naoto Kan discussed the issue of missing pension premium payment records.

-- What is your view on the missed pension benefit payouts stemming from the missing pension premium payment records?

Kan: "It is embezzlement to receive premiums and not pay benefits."

Katayama: "Pension numbers were integrated into a basic pension number system in 1997. This system was created when Mr. Kan was the health, labor and welfare (MHLW) minister. If the system were proper, this problem would not have occurred."

Kan: "The MHLW minister when pension numbers were integrated was former Prime Minister Junichiro Koizumi. The SIA conducted surveys from 1998 through 2006. They intended to get away with it without disclosing the survey results, if opposition parties had not pursued the case this time. The SIA should be dismantled and turned into a revenue agency along with the National Tax Agency. According to the government proposal, only its status will be privatized. This would make the locus of responsibility unclear."

Katayama: "The DPJ wants to keep its officials' status intact. However, if they remain public servants, officials' morale will remain low."

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Yokohama Mayor Hiroshi Nakata: "The problem is not who created the system but that the SIA has no sense of being involved. Unless it is fully privatized so that its own mistakes are reflected in its staff members' salaries, SIA officials will never have a sense that they are responsible."

-- What about the alleged bid-rigging involving the Japan Green Resources Agency?

Kan: "Agriculture Minister Toshikatsu Matsuoka said that the allegation is very regrettable. However, the presence of Mr. Matsuoka is very regrettable. People know who is behind the scenes."

Katayama: "The investigative authorities are ferreting out the case. It is not necessary for Mr. Matsuoka to step down as a cabinet minister."

Kan: "Prime Minister Abe is defending the agriculture minister, who is accountable for the matter, which is tantamount to saying that it is all right to keep bid-rigging as it is."

13) New Komeito's Ota checks LDP on constitutional revision, expressing reluctance to back candidates who advocate revising paragraph 2 of Article 9

YOMIURI (Page 2) (Full)
May 28, 2007

New Komeito leader Ota referred to the Upper House election set for this summer on a TV-Asahi talk show on May 27 and checked the ruling Liberal Democratic Party's (LDP) call for constitutional revision. Ota noted: "If (LDP candidates) make assertions that are fundamentally different from our party's, for instance allowing the exercise of the right to collective defense or deleting paragraph 2 of Article 9 of the Constitution, and rejecting environmental rights, it is only natural that our party will be reluctant to back them." When asked about Prime Minister Abe's intention to make constitutional revision a campaign issue for the Upper House election, Ota again pointed out: "It's meaningless to emphasize constitutional revision without mentioning the substance."

14) Poll: Cabinet support rate hits low of 36 PERCENT

ASAHI (Page 1) (Abridged)
May 29, 2007

Ahead of this July's election for the House of Councillors, the Asahi Shimbun conducted its third telephone-based public opinion survey on May 26-27, in which the support rate for Prime Minister Abe and his cabinet was 36 percent with the nonsupport rate at 42 percent. The Abe cabinet's support rate nosedived from the May 19-20 survey, in which the support rate was 44 percent with the nonsupport

rate at 36 percent. The cabinet support rate had rebounded in April and afterward. This time, however, nonsupport topped support again.

Among women, the Abe cabinet's support rate substantially fell from 48 percent in the last survey to 36 percent in the survey this time, with its nonsupport rate at 37 percent. Among those who support the New Komeito, the ruling Liberal Democratic Party's coalition

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partner, the Abe cabinet's support rate was 35 percent, with its nonsupport rate at 45 percent. Among New Komeito supporters, the nonsupport rate topped the support rate for the first time.

In the past three surveys, respondents were also asked which political party they would vote for if an election were to be held now for the House of Councillors. To this question, the proportion of those who picked the LDP was 28 percent in the first survey (taken May 12-13), 31 percent in the second survey, and 26 percent in the latest third survey. The proportion of those preferring the leading opposition Democratic Party of Japan (Minshuto) was 21 percent in the first survey, 21 percent in the second survey, and 25 percent in the third survey. The LDP was above the DPJ in the past surveys. This time, however, the DPJ closed in on the LDP. In electoral districts as well, the two parties are close, with the LDP at 29 percent and the DPJ at 26 percent.

Respondents were further asked which side between the ruling camp and the opposition camp they would like to see hold a majority as a result of this summer's House of Councillors election. In response, 28 percent chose the ruling camp (36 percent in the last survey), with 48 percent preferring the opposition camp (43 percent in the last survey). Asked about the desirable form of government, 32 percent chose an LDP-led coalition government (37 percent in the last survey), with 33 percent opting for a DPJ-led coalition government (31 percent in the last survey). As seen from these figures, the LDP and the DPJ are almost on a par.

In the breakdown of public support for political parties, the LDP stood at 29 percent (34 percent in the last survey), with the DPJ at 18 percent (14 percent in the last survey).

The survey was conducted over the telephone on a computer-aided random digit dialing (RDD) basis. Respondents were chosen from among the nation's voting population on a three-stage random-sampling basis. Valid answers were obtained from 1,031 persons (61 percent).

15) Poll: Cabinet support rate lowest at 32 percent, down 11 points; Nonsupport up to 44 percent

MAINICHI (Top play) (Abridged)
May 28, 2007

The Mainichi Shimbun conducted a telephone-based nationwide public opinion survey on May 26-27. The rate of public support for Prime Minister Shinzo Abe and his cabinet was 32 percent, down 11 percentage points from the last survey taken in April. It is the lowest figure for the Abe cabinet since coming into office in September last year. The nonsupport rate for the Abe cabinet was 44 percent, which is the highest figure for the Abe cabinet. The nonsupport rate topped the support rate in the latest survey, as well as in the surveys taken in February and March. In the survey, respondents were also asked which party between the ruling Liberal Democratic Party and the leading opposition Democratic Party of Japan (Minshuto) they would like to see win in this summer's election for the House of Councillors. In response to this question, the DPJ led the LDP for the first time. Respondents were further asked which political party and which political party's candidate they would vote for if an election were to be held now. To this question as well, the DPJ was above the LDP both for proportional representation blocs and for electoral districts. This shows that

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the nation's voting population is taking a severe view of the fact that the government has lost its records of 50.95 million people's

payments into its public pension plans.

Among LDP supporters, the Abe cabinet's support rate was 66 percent, down 11 points. Among those with no particular party affiliation, the Abe cabinet's support rate was 20 percent, down 10 points. These two groups were major factors that led to the substantial drop in the cabinet support rate. Among those who support the LDP's coalition partner, New Komeito, the cabinet support rate was 60 percent, up 8 points.

In the breakdown of public support for political parties, the LDP stood at 25 percent, down 4 points. The DPJ was at 19 percent, down 3 points. Among other political parties, the New Komeito was at 5 percent, the same as in the last survey, with the Japanese Communist Party at 3 percent, up 1 point. Those with no particular party affiliation accounted for 44 percent, up 2 points.

16) Poll: Cabinet support plummets to 41 percent

NIHON KEIZAI (Page 1) (Abridged)
May 28, 2007

The Nihon Keizai Shimbun conducted a public opinion survey on May 25-27, in which the rate of public support for Prime Minister Shinzo Abe and his cabinet was 41 percent, the lowest figure for the Abe cabinet, showing a sharp drop of 12 percentage points from the last survey conducted in April. The nonsupport rate for the Abe cabinet was 44 percent, up 7 points. The nonsupport rate topped the support rate for the first time in two months. In the survey, respondents were also asked if they appreciated the Abe cabinet's job performance. In response to this question, 49 percent answered "no," with 33 percent saying "yes."

The Abe cabinet's approval rating continued to show a downward trend after its inauguration in September last year. In the last survey, however, it rose 10 points and was seen to have stopped declining. The sharp drop in the cabinet support rate this time can be taken as reflecting the government's failure to record payments into its public pension plans as a possible point at issue in this summer's election for the House of Councillors. In addition, it is apparently affected by the public's dissatisfaction with the Abe cabinet's attitude over the issue of politics and money.

In the breakdown of public support for political parties, the ruling Liberal Democratic Party stood at 41 percent, down 2 points. The leading opposition Democratic Party of Japan (Minshuto) rose 2 points to 23 percent.

The survey was taken by Nikkei Research Inc. over the telephone on a random digit dialing (RDD) basis. For the survey, samples were chosen from among men and women aged 20 and over across the nation. A total of 1,496 households with one or more voters were sampled, and answers were obtained from 917 persons (61.3 percent).

17) Poll: 42 percent want DPJ victory, topping LDP for 1st time

MAINICHI (Page 1) (Full)
May 28, 2007

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In the latest public opinion survey conducted by the Mainichi Shimbun, respondents were asked which political party they would like to win this summer's election for the House of Councillors. This is the fourth time this question has been asked since December last year. In response, 42 percent opted for the leading opposition Democratic Party of Japan (Minshuto), up 6 percentage points from the last survey. The ruling Liberal Democratic Party was at 33 percent, down 5 points. Other political parties were at 20 percent, up 2 points.

In the past three surveys, the LDP was 2 points higher than the DPJ. This time, however, the DPJ topped the LDP for the first time.

Respondents were also asked which political party or which political party's candidate they would vote for in their respective

proportional representation blocs if an election were to be held now for the House of Councillors. In response to this question, 35 percent chose the DPJ, with 28 percent picking the LDP. Among other political parties, the New Komeito, the LDP's coalition partner, was at 6 percent, with the Japanese Communist Party at 4 percent, the Social Democratic Party (Shaminto) at 3 percent, and the People's New Party (Kokumin Shinto) at 1 percent. In electoral districts, the DPJ marked 30 percent, with the LDP at 26 percent and independents at 15 percent. The DPJ was above the LDP both in proportional representation blocs and in electoral districts.

18) Poll: 39 percent support current constitutional interpretation over collective self-defense

NIHON KEIZAI (Page 2) (Full)
May 28, 2007

In the latest public opinion survey conducted by the Nihon Keizai Shimbun on May 25-27, respondents were asked if they thought the government should change its current constitutional interpretation that prohibits Japan from exercising the right of collective self-defense. In response to this question, 39 percent answered "no," with 25 percent saying "yes" and 22 percent insisting the Constitution should be revised to allow Japan to participate in collective self-defense. As seen from these figures, public opinion was split over the advisability of reviewing the government's way of reading and interpreting the Constitution over collective self-defense.

Among those who support the ruling Liberal Democratic Party, "no" accounted for 34 percent, topping all other answers. However, 29 percent chose constitutional revision, with 27 PERCENT preferring reinterpretation.

19) New Chinese foreign minister expresses concern about planned Japan visit by former Taiwanese President Lee

ASAHI (Page 4) (Excerpts)
May 29, 2007

Jun Tabuse, Hamburg

Foreign Minister Aso and his new Chinese counterpart Yang Jiechi held their first meeting in Hamburg on May 28, local time. In reference to the private visit to Japan by former Taiwanese President Lee Teng-hui scheduled to begin on May 30, Yang expressed

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apprehension about a negative impact on Japan-China relations. On another topic, Aso briefed Yang on a new Japanese post-Kyoto global initiative proposed by Prime Minister Abe last week. In response, Yang said: "I hope the two countries will join hands on this challenge."

According to informed sources on the Japanese side, Yang expressed concern about Lee's planned visit to Japan, saying: "I am concerned that the visit might be politicized and could hinder Japan-China relations." Aso replied: "I have been informed that he will not take part in political activities but will engage in sightseeing and cultural exchange." He then said: "There is no change in the Japanese government's position as specified in the Japan-China joint statement."

20) Burmese foreign minister explains extended house arrest of Aung San Suu Kyi to Foreign Minister Aso

ASAHI (Page 4) (Excerpts)
May 29, 2007

Jun Ibuse, Hamburg

Foreign Minister Aso met Burmese Foreign Minister Nyan Win at a Hamburg hotel on the morning of May 28. Officially admitting the Burmese decision to extend the house arrest of Aung San Suu Kyi, a leader of the democracy movement there, Nyan Win said: "If the United States had removed the sanctions against our country, there

would have been the option of releasing her. This was a difficult decision for the sake of our national security." The Burmese government had not officially admitted that it decided to extend the house arrest of Suu Kyi. Aso sought her release, saying: "Unless the democratization process is promoted, there will be no economic growth in Burma."

21) China mulling providing info on "abductees" to Japan

YOMIURI (Page 1) (Full)
May 28, 2007

Satoshi Saeki, Beijing

China is considering the possibility of cooperating with Japan to resolve the abductions of Japanese citizens by North Korea, for instance, by gathering information on victims of abductions and missing Japanese people via its own information networks, a source familiar with Japan-China relations revealed on May 27.

On the collection of information on victims of abductions, China reportedly plans to conduct a broader investigation to include a portion of certain missing people (dozens of people) and provide the results to Japan. China also is considering accepting abductee Megumi Yokota's daughter Kim Hye Gyon, who is studying at Kim Il Sung University, as a master's student at Beijing University so that she can easily meet with Shigeru Yokota and his wife Sakie. Moreover, an idea is being floated that Chinese experts will conduct a DNA analysis of the remains handed by North Korea to Japan as Megumi's "ashes."

Until recently the Chinese side had assumed the stance that the resolution of the abduction issue."

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China appears to have concluded that progress on the abduction issue will have a good effect on such processes as energy aid to North Korea. In addition, China seems to be speculating that doing so will give momentum to the move for strengthening Japan-China relations, which have been brought back on the track owing to Premier Wen Jiabao's recent successful visit to Japan.

Yet, there is the possibility that North Korea may react against China's offer of information as interference in domestic affairs. Whether China's plan will be put into practice depends on whether coordination between China and North Korea will go smoothly.

22) Japan to send election monitors to East Timor

YOMIURI (Page 2) (Full)
May 28, 2007

The government intends to dispatch an election monitoring team in accordance with the United Nations Peacekeeping Cooperation Law to East Timor for its general election slated for June 30. Preparations are underway to send a dozen or so officials from the International Peace Cooperation Headquarters and the Ministry of Foreign Affairs.

In the general election, a fierce battle is expected between the largest political party, the Revolutionary Front for an Independent East Timor, and the National Congress for Timorese Reconstruction led by former President Gusman.

SCHIEFFER